

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Handlooms and Textiles Department – Textile and Apparel Promotion Policy, 2005-2010 – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2010-15 to M/s Kallam Spinning Mills Limited, at Kunkubadu (V), Addanki (M), Prakasam District for their proposed Weaving Unit as a Mega Project – Orders- Issued.

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**INDUSTRIES & COMMERCE (Tex) DEPARTMENT**

**G.O.Ms.No. 27**

**Dated: 12-01-2012**  
**Read the following:-**

1. From the Managing Director, M/s Kallam Spinning Mills Limited, Letter No. KSPL/AMHR/MEGAPROJECT/2011-12I, dated. 09.09.2011 & 23.12.2011
2. The State Investment Promotion Committee Meeting held on 27.12.2011
3. The State Investment Promotion Board Meeting held on 31.12.2011.
4. G.O Ms.No.61, Ind. & Com. (IP) Dept, dated 29-06-2010.
5. G.O Ms.No.300, Ind. & Com. (Tex) Dept, dated 08-11-2005.

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**ORDER:-**

In the letter 1st read above, the Director, M/s Kallam Spinning Mills Limited, proposed to setup a Weaving Unit at Kunkubadu (V), Addanki (M), Prakasam District with an investment of Rs.147.15 Crores. The proposal is likely to create direct employment to 2000 persons and indirect to 3000 persons. The project was considered under TUF scheme of Government of India.

2. The company requested for the following benefits:

- (a) 100% reimbursement of stamp duty and transfer duty.
- (b) Request for 5 MLD of Water from Gundlakamma river which is about 3 Km away from unit.
- (c) Power cost reimbursement @ Rs 1.00 per unit for 8 years.
- (d) To provide 132/33 KV Sub-Station at Government Cost along with power line for 8 KM length and with 10MVA transformer to avoid power fluctuations.
- (e) 100% reimbursement of expenditure incurred for approach road.
- (f) 50 % Reimbursement of VAT/CST/SGST for 8 years
- (g) 100% reimbursement of cost of cleaner technology measure/ pollution measures.
- (h) Uninterrupted Power supply to the unit

3. In the reference 2nd read above, the State Investment Promotion Committee (SIPC) have discussed the above proposal in its meetings held on 27.12.2011 and decided to place the matter before the State Investment Promotion Board (SIPB) with the following recommendations:

- (a) Reimbursement of 50% VAT & CST for a period of 5 years from date of commencement of commercial production (DCP).
- (b) Fixed Power cost reimbursement of Rs.1.00 per unit for a period of 5 years from DCP.
- (c) Reimbursement of cost incurred for skill up-gradation @ Rs. 10,000 per person with a tie-up with Rajiv Yuva Kiranalu (RYK) and meeting expenditure from RYK.
- (d) All other incentives as per IIPP 2010-15 policy.

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4. In the reference 3rd read above, State Investment Promotion Board in its meeting held on 31.12.2011 discussed the proposal in detail and decided to extend the following incentives to the Company:

- (a) Reimbursement of 50% Net VAT & CST for a period of 5 years from date of commencement of commercial production (DCP).
- (b) Fixed Power cost reimbursement of Rs.1.00 per unit for a period of 5 years from DCP.
- (c) Reimbursement of cost incurred for skill up-gradation @ Rs. 10,000 per person with a tie-up with Rajiv Yuva Kiranalu (RYK) and meeting expenditure from the resources of RYK scheme.
- (d) All other incentives as per IIPP 2010-15 policy.

5. The Government after careful examination of the proposal and in view of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s Kallam Spinning Mills Limited, proposed Weaving Unit at Kunkubadu (V), Addanki (M), Prakasam District with an investment of Rs.147.15 Crores as decided by the State Investment Promotion Board under Industrial Investment Promotion Policy 2010-2015 as a Mega Project :-.

- (a) Reimbursement of 50% Net VAT & CST for a period of 5 years from date of commencement of commercial production (DCP).
- (b) Fixed Power cost reimbursement of Rs.1.00 per unit for a period of 5 years from DCP.
- (c) Reimbursement of cost incurred for skill up-gradation @ Rs. 10,000 per person with a tie-up with Rajiv Yuva Kiranalu (RYK) and meeting expenditure from the resources of RYK scheme.
- (d) All other incentives as per IIPP 2010-15 policy, which include
  - (i) 100% Reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
  - (ii) 100% Reimbursement of Stamp duty on Mortgages and hypothecations.
  - (iii) 25% subsidy on specific cleaner production measures limited to Rs.5 Lakhs.
  - (iv) Infrastructure assistance as per policy i.e., @ 50% of the cost up to Rs.1.00 Crore on roads, power and water will be provided at door step of the industry for standalone units.

6. The industry shall provide atleast 80% employment to the candidates belonging to Andhra Pradesh State for becoming eligible to the above incentives.

7. The Commissioner of Handlooms, Textiles & Apparel Export Parks, Andhra Pradesh, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to Government.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

Dr. PREM CHAND  
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Commissioner of Handlooms, Textiles & Apparel Export Parks,  
Andhra Pradesh, Hyderabad  
M/s Kallam Spinning Mills Limited, Kunkubadu (V), Addanki (M), Prakasam District  
through the Commissioner of Handlooms, Textiles & Apparel Export Parks,  
Andhra Pradesh, Hyderabad.

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Copy to:

The Revenue (CT) Department.  
The Revenue (Registration) Department.  
The Energy Department.  
The Irrigation (Reforms) Dept.  
The Ind. & Com. (INF) Department.  
The Accountant General, Andhra Pradesh, Hyderabad.  
The Commissioner of Industries, A.P., Hyderabad.  
The Commissioner of Commercial Taxes, Hyderabad  
The Chairman & Managing Director, AP TRANSCO, Hyderabad  
The Managing Director, AP SPDCL, Tirupati  
The Vice Chairman & Managing Director,  
Andhra Pradesh Industrial Infrastructure Corporation Ltd.,  
Hyderabad.  
The District Collector, Prakasam District.  
The General Manager, District Industries Centre, Ongole  
The P.S. to Secretary to Chief Minister  
The O.S.D. to Hon'ble Minister for Handlooms and Textiles, Spinning Mills, Small Scale  
Industries, Khadi & Village Industries Board, and Public Enterprises.  
The P.S. to Chief Secretary to Government.  
The P.S. to Principal Secretary to Government (M&T) / Principal Secretary to Government &  
CIP, Industries & Commerce Department.  
SC/SF.

// FORWARDED BY: ORDER//

SECTION OFFICER.